GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5410
ANSWERED ON:22.12.2000
PENALTIES UNDER FERA
CHANDRA NATH SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether Deputy Director, Enforcement Directorate,Calcutta failed to recover penalties of Rs.1.19 crore under FERA during 1983-96;

(b) if so, whether the amount has now been recovered; and

(c) the reasons for not recovering the money on time and the action Government propose to take in the matter ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) & (b) The amount of penalty shown as Rs.1.19 crores pending realisation related to the period 1963-1996 and not 1983-1996. Out of this amount, an amount of Rs.5.02 lakhs has been realised.

(c) It was only in 1973 that a provision was made in FERA,1973 (which replaced FERA, 1947) for recovery of penaltythrough district revenue authorities as also by way of attachment and auction of goods under the control of Directorate of Enforcement. The recovery through District Revenue Authorities has not yielded encouraging results and cases initiated by the Directorate of Enforcementoften got locked up in judicial process. However, the Directorate has initiated review of all the cases relating to non-payment of penalty and action for recovery of outstanding penalty amount has been undertaken in accordance with the provisions contained in the new Act, viz., the Foreign Exchange Management Act, 1999 which provides for civil imprisonment on non-payment of penalties.